

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BELLSOUTH TELECOMMUNICATIONS, INC.'S	)	
REQUEST FOR CONFIDENTIAL TREATMENT	)	
OF INFORMATION FILED IN SUPPORT OF ITS	)	CASE NO. 96-366
PROPOSED BACK-UP <sup>SM</sup> LINE SERVICE	)	
PROMOTION	)	

O R D E R

This matter arising upon petition of BellSouth Telecommunications, Inc. ("BellSouth"), filed July 31, 1996, pursuant to 807 KAR 5:001, Section 7, for confidential protection of the cost support data developed in connection with a planned promotion for Back-Up<sup>SM</sup> Line service on the grounds that disclosure of the information is likely to cause BellSouth competitive injury, and it appearing to this Commission as follows:

BellSouth is proposing a promotion of Back-Up<sup>SM</sup> Line service beginning September 1, 1996 and running through October 31, 1996. Back-Up<sup>SM</sup> Line service provides an additional business line which backs up a primary business line and represents a lower cost alternative to adding additional lines for handling calling needs or fluctuations in call volume. The promotion will offer customers a \$25 credit on their bill when they purchase Back-Up<sup>SM</sup> Line service, and BellSouth believes that by offering a customer credit the promotion makes it more affordable for cost conscious customers to try the service.

In support of the promotion, BellSouth has filed cost information which it seeks to protect as confidential. The information sought to be protected is not known outside of BellSouth and is not disseminated within BellSouth except to those employees who have

a legitimate business need to know and act upon the information. BellSouth seeks to preserve and protect the confidentiality of the information through all appropriate means including the maintenance of appropriate security at its offices.

KRS 61.872(1) requires information filed with the Commission to be available for public inspection unless specifically exempted by statute. Exemptions from this requirement are provided in KRS 61.878(1). That subsection of the statute exempts several categories of information. One category exempted in paragraph (c)1 of that subsection is commercial information confidentially disclosed to the Commission which if made public would permit an unfair commercial advantage to competitors of the party from whom the information was obtained. To qualify for the exemption, the party claiming confidentiality must demonstrate actual competition and a likelihood of substantial competitive injury if the information is disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

Back-Up<sup>SM</sup> Line service is one of the business basic exchange services currently provided by BellSouth. BellSouth maintains that in providing these services it currently competes with services provided by cellular carriers, and will soon likely be in competition with services provided by other companies that have indicated an intention to provide local exchange services in this state. While cellular carriers currently offer mobile telephone services, those services are offered to a specialized and restricted market and provide no effective competition to BellSouth at this time. However, recent changes in federal law make it likely that BellSouth business exchange service will be subject to full competition within the near future and disclosure of the information sought to be protected would enable potential competitors to determine BellSouth's cost and contribution from the service which

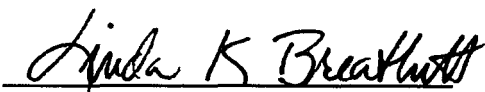
they could use in devising market strategies to market their competitive services. Therefore, disclosure of the information is likely to cause BellSouth competitive injury and the information should be protected as confidential.


This Commission being otherwise sufficiently advised,

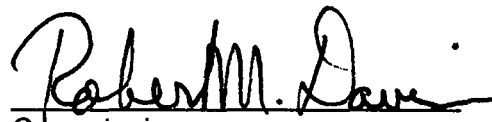
IT IS ORDERED that the cost information filed in support of BellSouth's planned promotion for Back-Up<sup>SM</sup> Line service, which BellSouth has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 28th day of August, 1996.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director